

STATE OF DELAWARE CDH GOLD PLAN
FREQUENTLY ASKED QUESTIONS

Q. *What is the CDH Gold Plan and how is it different from the other plans offered through the State of Delaware Group Health Insurance Program?*

A. The CDH Gold Plan is a Consumer-Directed Health Care plan that combines a health benefits plan with a personal spending account known as a Health Reimbursement Account. These types of plans are becoming more popular because they allow employers to offer a quality health benefit program at an affordable rate. The Health Reimbursement Account is an added benefit intended to help employees pay for out-of-pocket expenses. Before the plan pays for health benefits, the employee must meet an annual deductible. The HRA is intended to help the employee pay for out-of-pocket costs that may be incurred while meeting the deductible. Once the deductible is met, the employee and the plan share in the cost of health care services through a co-insurance arrangement.

Q. *What is a deductible?*

A. A deductible is the set amount that an employee must pay out-of-pocket before the health care plan begins to pay a portion of the cost of health care services. For the CDH Gold Plan, the deductible for an individual only plan is \$1,500 annually and \$3,000 annually for a family plan.

Q. *What is the HRA component of the CDH Gold Plan?*

A. The HRA or Health Reimbursement Account is a fund 100% contributed to by the State of Delaware and is intended to assist the employee in paying for out-of-pocket expenses incurred by the employee and/or covered dependents before the annual deductible has been met. The State of Delaware makes an annual contribution of \$1,250 for an employee only (individual) plan and \$2,500 for a family plan.

Q. *What is co-insurance and how is it different from a copayment?*

A. Co-insurance is an arrangement where the plan and the employee pay a set percentage of the allowable costs for health care services. For the CDH Gold Plan, once the deductible has been satisfied, the plan pays 90% of the allowable cost for in-network services and the employee pays 10% of the allowable cost. Out-of-network services are paid at 70% by the plan and 30% by the employee, once the deductible has been met. The BCBSD Comprehensive PPO Plan and the Blue Care and Aetna HMO Plans pay allowable expenses after the employee pays a copayment. Depending upon the services, the employee could be paying a higher percentage of the total allowable charge in a copay arrangement. For example, if the employee visits a specialist under one of the HMO plans, they are responsible for a \$20 copay. If the allowable charge for the visit is \$100, the member is paying the equivalent of a 20% coinsurance. Under the CDH Gold Plan, if the employee had met their annual deductible, their out-of-pocket coinsurance would be \$10 as opposed to \$20 payable from the employee if enrolled in a HMO plan.

Q. What is the out of pocket (OOP) maximum?

A. The out of pocket maximum is the most that you will have to pay for your portion of health care expenses in a plan year after you have satisfied your deductible. In addition to the deductible, the out of pocket maximum for the CDH Gold Plan is \$3,000 per individual in network, \$6,000 per family in network and \$6,000 per individual out of network and \$12,000 per family out of network. The expenses you incur in network and out of network are aggregated so that the most you will pay out of pocket after you have satisfied your deductible is \$6,000 per individual and \$12,000 per family.

Q. What if I am unsure of how much my family will incur in medical expenses in the upcoming plan year?

A. The CDH Gold Plan may not be a good fit for everyone. It is important to consider anticipated expenses as well as planned procedures that you or your family members may receive in the upcoming year. While preventive services are covered at 100% under the CDH Gold Plan, employees and pensioners must understand that the plan does not pay for any services until the annual deductible has been met. Once the deductible has been met, the plan pays generously for in network services; however, the employee/pensioner is still responsible for 10% of the cost of services until the annual out-of-pocket maximum is reached.

Q. Is my prescription drug coverage subject to the CDH Gold annual deductible and out-of-pocket maximum?

A. Prescription drug coverage through a CDH Gold Plan is the same as the prescription drug coverage available through the BCBSD First State Basic, BCBSD Comprehensive PPO or Blue Care and Aetna HMO Plans. Employee and pensioners pay the same prescription drug copays are paid under the other plans and the prescription drug copays do not apply against the CDH Gold Plan annual deductible or out-of-pocket maximums.

Q. If I am covering my spouse under a CDH Gold Plan, am I still required to complete a Spousal Coordination of Benefits form during annual open enrollment or if my spouse's employment or insurance status changes?

A. Yes, all employees and pensioners who cover their spouse in a State of Delaware Group Health Insurance medical plan are required to complete a Spousal Coordination of Benefits form during annual open enrollment or at any time their spouse's employment or insurance status changes.

Q. If I am covering an adult dependent child under a CDH Gold Plan, am I required to complete an Adult Dependent Coordination of Benefits form during annual open enrollment, within 30 days of any change to my adult dependent's employment which impacts benefit eligibility or at the end of the calendar year in which my enrolled adult dependent child turns 21?

A. No. The State of Delaware CDH Gold Plan is not considered to be a "grandfathered health plan" in accordance with the Patient Protection and Affordable Care Act (PPACA) and as such, the State of Delaware cannot exclude full coverage for adult children to age 26 if the child has access to health coverage through his or her own employer and is enrolled in a CDH Gold Plan, therefore no form is required.

Q. ***What can I use the HRA funds for?***

A. Eligible healthcare expenses such as doctor's office visits, lab tests, xrays and hospital admissions can be paid with HRA funds. The HRA funds cannot be used toward prescription drug copays and prescription drug coinsurance.

Q. ***Can other services like dental or vision expenses be paid with the HRA funds?***

A. Only eligible copays and coinsurance for qualifying medical services can be paid with HRA funds. You cannot use HRA funds for expenses not covered under your CDH Gold Plan such as: prescription copays, expenses related to dental or vision coverage, orthodontics, long-term care insurance premiums, health care premiums, COBRA premiums or medical insurance premiums while receiving federal or state unemployment compensation and post age-65 premiums for Medicare or BCBSO Special Medicall.

Q. ***Are health insurance premiums considered qualified medical expenses under the HRA fund?***

A. No. You may NOT use HRA funds to pay for insurance premiums.

Q. ***When does the State fund the HRA?***

A. The State contributes the annual HRA contribution at the beginning of each plan year, July 1st or when you are first enrolled if after July 1st.

Q. ***Is the entire annual HRA contribution available at the beginning of the plan year?***

A. Yes.

Q. ***Can I or my covered dependents contribute to the HRA fund?***

A. No.

Q. ***What happens to unused HRA funds at the end of the plan year?***

A. As long as the employee/pensioner remains enrolled in a State of Delaware CDH Gold Plan, unused HRA funds rollover to the next plan year.

Q. ***What happens to unused HRA funds if I terminate employment or I am no longer eligible for health care coverage through the State of Delaware Group Health Insurance Program?***

A. Unused HRA funds are forfeited if the employee terminates employment or is no longer eligible for health care through the State of Delaware Group Health Insurance Program.

Q. ***What happens to unused HRA funds when I retire?***

A. Unused HRA funds will move with the employee into retirement as long as the employee/pensioner and/or dependents remain enrolled in a State of Delaware CDH Gold Plan. Unused funds are forfeited when the pensioner and spouse become Medicare eligible.

Q. What happens to unused HRA funds if I am terminated from employment after Short Term Disability and am approved for Long Term Disability through the Hartford?

A. Unused HRA funds will move with the employee into Long Term Disability as long as the employee/pensioner and/or dependents remain enrolled in a State of Delaware CDH Gold Plan. Unused funds are forfeited when the pensioner and spouse become Medicare eligible.

Q. If I enroll or change tiers in a CDH Gold Plan during the plan year, how is the HRA amount determined?

A. In situations where an employee/pensioner enrolls or changes coverage tiers during the plan year, their HRA fund will be prorated as follows:

Enroll or change tier by 9/1: receive full amount of \$1250 for individual/\$2500 for family

Enroll or change tier after 9/1 but before 1/1: receive \$937.50 for individual/
\$1875 for family

Enroll or change tier after 1/1 but before 4/1: receive \$625 for individual/\$1250 for family

Enroll or change tier after 4/1 but before 7/1: receive \$312.5 for individual/\$625 for family

Q. How is the HRA funded if an employee/pensioner marries or divorces in the middle of the year? If an individual elects COBRA as a covered dependent, does any HRA funding rollover to coverage in a CDH Gold Plan through COBRA?

A. Should a divorce occur during the plan year and the spouse chooses to elect continuation coverage through COBRA, the spouse's proportionate share of the current plan year HRA fund allocation will be transferred to their individual COBRA CDH Gold Plan. The spouse should contact BCBSD or Aetna to determine their funding allocation.

Q. If I am eligible for COBRA coverage in a State of Delaware CDH Gold Plan as a result of loss of eligibility for health care coverage through the State of Delaware Group Health Insurance Program, do I still forfeit unused HRA funds?

A. Depending upon your qualifying event date and loss of coverage through the State of Delaware Group Health Insurance Program, unused HRA funds may rollover to your enrollment in a CDH Gold Plan through COBRA. Actual HRA funds available upon enrollment in a CDH Gold Plan through COBRA depend upon the date of loss of coverage and whether the remaining HRA funds upon termination exceed the prorata amount of the annual HRA fund contribution.

Q. Do the HRA funds accrue interest?

A. No.

Q. What is the difference between the HRA fund and an FSA fund?

A. The HRA fund is a component of a State of Delaware CDH Gold Plan. State of Delaware employees may also choose to enroll in a FSA (Flexible Spending Account). FSA contributions are 100% funded by the employee with pre-tax dollars. FSA funds can be used to pay for out-of-pocket expenses such as prescription copays and other expenses that are not paid using HRA funds. To learn more about the State of Delaware FSA plan visit www.ben.omb.delaware.gov/fsa.

Q. *What Preventive Services are covered at 100% under a CDH Gold Plan?*

- A. The State of Delaware CDH Gold Plans pay 100% with no deductible for services listed on the Blue Cross Blue Shield or Aetna Care Schedule as long as the services are received from in-network providers and coded as preventive care for billing purposes. The age and frequency limits for the eligible preventive services are shown on the guidelines available at www.ben.omb.delaware.gov/medical. If you have questions about whether care is considered preventive and covered at 100% or is subject to the deductible, you can contact Aetna at 1-877-54-Aetna or Blue Cross Blue Shield of Delaware at 800-633-2563. In addition there are a few preventive medications that will be covered at \$0 copay if presented with a prescription at the pharmacy. For a listing of these medications, go to <http://www.ben.omb.delaware.gov/script>.

Q. *How do I know what Services will cost?*

- A. Both Aetna and BCBSD have services that help you to know what medical services in your area will cost before you receive treatment. Depending upon which CDH Gold Plan you choose, visit the Aetna (www.aetna.com) and/or BCBSD (www.bcbsde.com) websites for additional information.

Q. *How will I know if a doctor or facility is in network or out-of-network?*

- A. Visit the Statewide Benefits Office website at www.ben.omb.delaware.gov/medical and locate the “Find a Provider” link under the Blue Cross Blue Shield of Delaware Group Health Plans or “Locate Participating Providers – Doc Find” link under the Aetna Health Plans to research participating in-network providers available through Aetna and BCBSD.

Q. *When do I pay the doctor if an in-network provider?*

- A. With the exception of pharmacy services, when you use Aetna and/or BCBSD in-network providers, you do not pay for your services at the time services are received. Instead, your medical provider will bill Aetna and/or BCBSD. Aetna and/or BCBSD will then use any available HRA funds and send you an Explanation of Benefits (EOB) that shows any balance you need to pay. After you receive this information, you must follow-up with the provider to pay any remaining balance. And always keep your receipts in case you ever need to document your expenses.

Q. *When do I pay the doctor if an out-of-network provider?*

- A. If you use out-of-network providers, you will need to check with the provider to determine if they will bill Aetna or BCBSD directly. If they will bill Aetna directly, Aetna will pay the provider and use any available HRA funds and send you an Explanation of Benefits (EOB) that shows any balance you need to pay if you have signed the appropriate forms to authorize payment to the provider. These forms would be made available to you by the provider. If the provider will bill BCBSD directly, BCBSD will process the claim and if the deductible has not been met and you have HRA funds available to apply toward the claim, BCBSD will send you a check for the amount of money available in your HRA that can be used to cover the expense. You will then be responsible for submitting payment to the provider. Once the deductible has been met, BCBSD will pay to the provider, any portion of the expense covered under the plan and send you an Explanation of Benefits (EOB) that shows any balance that is your responsibility.

If the provider will not bill the carrier, you may be responsible for paying the charges at the time of service and then submitting a claim for reimbursement.

Remember: when using out-of-network providers, the provider may balance bill you for expenses above what is defined by the carrier as reasonable for the care or services provided.

Q. ***Does the deductible apply to prescription drugs?***

A. No. Prescription drug under a CDH Gold Plan is the same as the other health care plans offered through the State of Delaware Group Health Insurance Program. The CDH Gold Plan HRA fund cannot be used to reimburse an employee/pensioner for out-of-pocket expenses related to prescription drug copays or coinsurance and prescription drug expenses cannot be applied to the CDH Gold medical deductible or out-of-pocket maximum.

Q. ***If I and my spouse are eligible for double state share and therefore, do not pay health care premiums, is there any advantage to our consideration of a CDH Gold Plan option during the 2011 Open Enrollment period?***

A. For the 2011 – 2012 plan year, Double State Share eligibles who choose the CDH Gold Plan will pay no monthly health care premiums; however, these enrollees would benefit from the added consumerism and the use of the HRA fund to pay out-of-pocket health care copays and coinsurance which still apply to double state share eligibles enrolled in a State of Delaware HMO plan or the BCSD First State Basic or Comprehensive PPO plans.

Q. ***Are employees/pensioners in a participating non payroll group eligible for enrollment in a CDH Gold Plan?***

A. Yes. The CDH Gold Plans are available to all employee and non Medicare pensioners eligible for health care coverage through the State of Delaware Group Health Insurance Program except for employees/pensioners of the Diamond State Port Authority.

Q. ***Do employees/pensioners in a participating non payroll group receive the same HRA funding as state of Delaware employees/pensioners?***

A. Yes, the HRA fund is an integral part of the CDH Gold Plan design. The HRA will be funded by the State of Delaware as part of the premium for this plan option.

Q. ***Who is responsible for keeping track of my HRA fund balance and my eligibility to rollover over unused HRA funds to the next plan year?***

A. The HRA fund is an integral part of the design of the CDH Gold Plans. Aetna and/or BCSD will be responsible for managing all HRA funds.

Q. *Will the State of Delaware continue to contribute to the HRA fund in subsequent plan years?*

A. The HRA fund is an integral part of the CDH Gold Plan design. The HRA fund is not “pre-funded” but instead functions as an accumulation account that the employee/pensioners can utilize when needed to qualifying medical expenses. Use of the HRA funds occurs when Aetna and/or BCBSD receives a qualified medical claims expense and submits payment to the carrier using existing HRA funds. The State of Delaware will make an annual contribution to the employee/pensioner’s HRA contribution at the beginning of each plan year.

Q. *If my spouse is covered as secondary under my CDH Gold Plan, does the plan pay differently toward my spouse’s qualifying medical expenses?*

A. No. A CDH Gold Plan will provide a secondary spouse with exactly the same benefit coverage as a primary spouse except that claims under a CDH Gold Plan will pay qualifying medical expenses for a secondary spouse after the spouse’s primary plan pays as per the plan benefits not to exceed 100% of allowable charges

Q. *Where can I go if I have questions?*

A. Depending upon which CDH Gold Plan you select, contact Aetna at 1-877-54-Aetna or www.aetna.com or Blue Cross Blue Shield of Delaware at 800-633-2563 or www.bcbsde.com. Information on the CDH Gold Plan is also available at the Statewide Benefits Office website at www.ben.omb.delaware.gov/oe.